

# Statement on CFPB Sandbox Proposal

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**Contact:** Lauren Saunders (lsaunders@nclc.org)

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A group of 80 consumer, civil rights, legal services, labor, environmental, and community groups today expressed their strong opposition to the proposed changes to the Consumer Financial Protection Bureau's no-action letter policy and its proposed product sandbox.

A copy of the coalition letter can be found [here](#). Several national groups also submitted a longer set of comments found [here](#).

"The CFPB cannot simply deputize an employee to hand out letters or approvals that exempt companies offering risky new products from complying with consumer protection laws," said Lauren Saunders, associate director at the National Consumer Law Center.

"With these approaches, the CFPB is writing an open invitation for companies to abuse consumers without consequence," said Linda Jun, senior policy counsel at Americans for Financial Reform. "The bureau is also overstepping its legal authority."

"The CFPB's illegal regulatory sandbox proposal risks creating a consumer protection desert because it does not have sufficient safeguards and limits," said Christopher Peterson, director of financial services at the Consumer Federation of America.

"The CFPB is proposing a dramatic new program that would give companies permission to violate the law, based on inadequate reasoning and without following necessary procedures," said Remington A. Gregg, counsel for civil justice and consumer rights at Public Citizen. "Instead of dreaming up unnecessary programs that are aimed at providing corporate wrongdoers with immunity from the law, the CFPB should focus on its primary responsibility of protecting consumers from predatory behavior and corporate wrongdoing."

"The CFPB should not be letting entire industries avoid the law based on cursory review done in private and without public comment," said Will Corbett, litigation counsel at the Center for Responsible Lending. "In the run-up to the 2008 economic meltdown, reckless financial practices were touted as 'innovative', too. CFPB should not repeat the mistake of giving industries a pass on consumer protections and trying to bar states and other regulators from enforcing the law,"

In a letter to the CFPB, the groups wrote: "It may be easy for a company making a one-sided presentation to draw sympathy with calls for relief from 'burdensome' regulations or uncertainty that the company argues could hinder its 'new' approaches. But just because an approach is 'innovative' does not mean that it will be a positive experience for the consumer or that older regulations and the critical protections they contain should not apply. Handing out relief or exemptions to companies without the opportunity for public input will expose consumers to the very risks and harms that the CFPB is charged with preventing."